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Subject: [External] NC Department of Commerce LEAD's Reads--Week of November 27-December 1

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From: Levy, Joshua W [mailto:joshua.levy@nccommerce.com]
Sent: Friday, December 01, 2017 4:09 PM
Subject: LEAD's Reads--Week of November 27-December 1

Hello all,

News this week includes a **NC tops Forbes' list**, **Atlantic Coast Pipeline** delayed again, **Major League Soccer** not coming to NC, lots of labor market news on **digital skills**, **automation**, jobs of the **future**, the **tax bill**, farm towns **reject industrial agriculture**, and fixing US **manufacturing**.

Have a great weekend!

Featured Articles:

[Here's how NC ranks on Forbes' list of best states for business](#) – News & Observer
[Atlantic Coast Pipeline faces another delay as NC officials push for more details](#)—News and Observer
[Major League Soccer won't be coming to North Carolina anytime soon](#) – Charlotte Observer
[Charlotte named hot housing market for 2018, which might be bad for first-time buyers](#) – Charlotte Observer
[Why Are People in Red States Dropping Out of the Labor Force?](#) – Wall Street Journal
[What Graduates Need to Succeed: Colleges and Employers Weigh In](#) – Chronicle of Higher Education
[21 Jobs of the Future, A Guide to Getting – and Staying – Employed over the Next 10 Years](#) – Cognizant
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[What the Tax Bill Would Look Like for 25,000 Middle-Class Families](#)—New York Times
[American Farm Towns, With Changing Priorities, Reject Industrial Agriculture](#) – Wall Street Journal
[The First Step to Fixing U.S. Manufacturing](#) – Harvard Business Review

NEWS FROM NC AND OTHER STATES

[Here's how NC ranks on Forbes' list of best states for business](#) – News & Observer
“North Carolina has consistently ranked in the top five of Forbes' Best States for Business the last 12 years, and now it's been awarded the top spot. [Forbes ranked North Carolina the No. 1 state in the country for business](#) based on costs, labor supply, regulatory environment, economic climate, growth prospects and quality of life. North Carolina ranked second last year after the N.C. General Assembly passed House Bill 2, commonly known as the “bathroom bill,” which

compelled Deutsche Bank and PayPal to pause expansions in the state, Forbes said. The NBA, NCAA and ACC also pulled sporting events... After the law was replaced, Credit Suisse continued with its expansion, adding 1,200 new jobs paying an average of more than \$100,00 a year, Forbes said. Following North Carolina on the Forbes list were Texas, Utah, Nebraska and Virginia, respectively.”

Atlantic Coast Pipeline faces another delay as NC officials push for more details—News and Observer

“The planned Atlantic Coast Pipeline, already more than a year behind schedule, could face further delays as North Carolina officials once again seek additional information on the project’s potential impacts to the communities the pipeline will traverse. The N.C. Department of Environmental Quality on Wednesday sent the pipeline’s developers [a fourth round of questions](#) about the economic benefits and environmental risks of the project. The unusual repeat request gives pipeline officials 30 days to respond and gives the agency 60 days to review their response.”

Major League Soccer won’t be coming to North Carolina anytime soon – Charlotte Observer

“It looks like neither Charlotte nor Raleigh will be getting a Major League Soccer team anytime soon. MLS announced Wednesday morning that it had narrowed its list of potential cities for expansion teams down to four: Cincinnati, Detroit, Nashville and Sacramento, Calif. Charlotte and Raleigh, two of the 12 cities that submitted bids, will be eligible to try again for a team in 2018 or later. The league’s decision not to pick Charlotte isn’t completely surprising. In October, Charlotte’s bid essentially fell apart when city and county leaders failed to reach an agreement on public-private financing of the proposed \$175 million soccer facility in time to meet the MLS’s upcoming decision date. Charlotte Motor Speedway CEO Marcus Smith headed the ownership group bidding for a team in Charlotte. He said when the deal unraveled that he was still interested in landing an MLS team, but that it would be difficult to do so without public money.”

Charlotte named hot housing market for 2018, which might be bad for first-time buyers – Charlotte Observer

“Charlotte will be the seventh-hottest housing market in the U.S. next year, according to a new prediction from Realtor.com. But that might be bad news for first-time buyers and people looking at lower-priced houses. The Charlotte region is one of several in the Southeast that made Realtor.com’s top 10 list released Wednesday, highlighting the region’s growth and economic strength. Realtor.com’s chief economist said that while more new houses are likely to be built, added inventory will probably go to the high end of the market – and won’t help relieve the crunch that buyers on the lower end of the spectrum face. “The starter home category is probably going to be the last to recover,” said Danielle Hale. “That relief probably won’t come until 2019. The shortage is much more severe in that segment.” Charlotte clocked in just behind Salt Lake City and ahead of Colorado Springs, Colo. Home prices in Charlotte are expected to rise about 3 percent next year – just below the national average – and the number of sales is expected to jump almost 6 percent, reflecting high demand.”

LABOR MARKETS

Why Are People in Red States Dropping Out of the Labor Force? – Wall Street Journal

“Though the labor market has grown robustly nationwide this year, progress has been uneven across blue states and red states. An increasing number of people in red states have stopped looking for work, while a larger share of people in blue states are actively in the workforce. The participation rate, which shows the number of people who are employed or are looking for work, fell in red states to 62% in September from 62.6% in April, while notching up in blue states to 63.9% from 63.8% over the same period, according to research from the Institute of International Finance. The report categorized a state red if it voted for President Donald Trump in 2016’s presidential election and blue if it voted for Hillary Clinton. The kinds of jobs available to workers in red states and blue states appear to be driving the trend. Slow-growing sectors like manufacturing and retail are more common in red states, the report notes, while lucrative and rapidly-expanding sectors like technology and life sciences are clustered on the coasts in blue states.”

What Graduates Need to Succeed: Colleges and Employers Weigh In – Chronicle of Higher Education

“To find out what skills employers are looking for, whether their new college hires arrive equipped with those skills, the value each sector places on a degree and on the reputation of the degree-granting institution, and how institutions are changing to meet the demands of employers, The Chronicle of Higher Education and Maguire Associates conducted a survey of college leaders and employers in May 2017. This report reflects the impressions of employers in a variety of

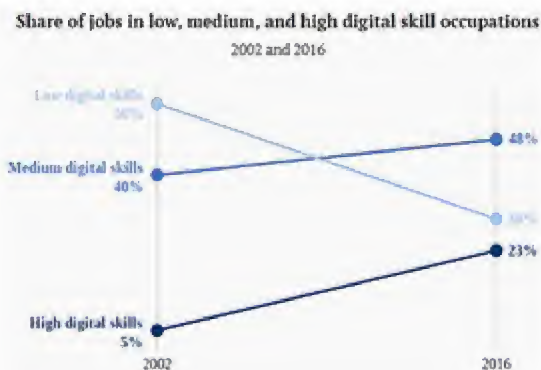
industries and those of college and university administrators from private and public, two-year and four-year institutions. Key findings: Employers and colleges both believe colleges are preparing graduates well for the workplace; graduates must possess a broad range of skills and knowledge; colleges and employers view the value of a degree/major somewhat differently; the job search process should begin early; and institutions and employers are partnering ... slowly."

21 Jobs of the Future, A Guide to Getting – and Staying – Employed over the Next 10 Years – Cognizant

"In this report, we propose 21 new jobs that will emerge over the next 10 years and will become cornerstones of the future of work. In producing this report, we imagined hundreds of jobs that could emerge within the major macroeconomic, political, demographic, societal, cultural, business and technology trends observable today, e.g., growing populations, aging populations, populism, environmentalism, migration, automation, arbitrage, quantum physics, AI, biotechnology, space exploration, cybersecurity, virtual reality. Among the jobs we considered, some seemed further out on the horizon and are not covered here: carbon farmers, 3-D printing engineers, avatar designers, cryptocurrency arbitrageurs, drone jockeys, human organ developers, teachers of English as a foreign language for robots, robot spa owners, algae farmers, autonomous fleet valets, Snapchat addiction therapists, urban vertical farmers and Hyperloop construction managers. These are jobs that younger generations may do in the further off future. Others that we considered are somewhat niche forms of employment – e.g., tattoo removal artist or e-gaming sportsman – that will employ only hundreds of people. Those jobs, while interesting, are not covered here. Similarly, jobs that are already well understood and well developed, and which are set to boom in the short-term future – e.g., cybersecurity developer, cloud computing programmer – are also not covered in this report. The 21 jobs we present here are those that we expect to become prominent in short order. Most importantly, we believe these jobs will create mass employment, providing work for the many people in offices, stores and factory floors displaced or disrupted by technology."

Digitalization and the American workforce - Brookings

"In recent decades, the diffusion of digital technology into nearly every business and workplace, also known as "digitalization," has been remaking the U.S. economy and the world of work.... In light of that, this report presents a detailed analysis of changes in the digital content of 545 occupations covering 90 percent of the U.S. workforce in all industries since 2001. The analysis categorizes U.S. occupations into jobs that require high, medium or low digital skills and tracks the impacts of rapid change." Interactive graphics for digital skill change in 545 occupations and for digital scores and share of high digital skill occupations by MSA.



Robots could replace nearly a third of the U.S. workforce by 2030—Washington Post

"Over the next 13 years, the rising tide of automation will force as many as 70 million workers in the United States to find another way to make money, a [new study](#) from the global consultancy McKinsey predicts. That means nearly a third of the American workforce could face the need to pick up new skills or enter different fields in the near future, said the report's co-author, Michael Chui, a partner at the McKinsey Global Institute who studies business and economics. ...By 2030, the researchers estimated, the demand for office support workers in the U.S. will drop by 20 percent. That includes secretaries, paralegals and anyone in charge of administrative tasks. During the same period, the need for people doing "predictable physical work" — construction equipment installation and repair, card dealing, security guarding, dishwashing and food preparation, for example — will fall by 30 percent. Other advanced economies, such as Germany and Japan, will see at least a third of their workforce similarly disrupted, the report concludes. China's share will be smaller (12 percent), since more employers there will still find it cheaper to employ humans."

The industries with the worst sexual harassment problem—Washington Post

"The casting couch. The holiday party. The black car. The setting for sexual harassment in the news and popular culture lately is Hollywood or Silicon Valley or Capitol Hill — but researchers say [women who work in restaurants](#) and clothing stores tend to encounter more predatory behavior than those in glitzy professions. "It's a story people haven't focused on enough," said Jocelyn Frye, who studies women's economic security at the Center for American Progress, a left-leaning think tank in Washington. "Low-wage workers are particularly vulnerable to sexual harassment." As Harvey

Weinstein and Kevin Spacey dominated headlines last month, Frye dug through 10 years of data from the Equal Employment Opportunity Commission, which tracks and investigates sexual harassment claims. Her research confirmed [previous surveys](#) that found workers in food services and retail filed [more than three times as many claims](#) as employees in the higher-paying fields of finance and insurance. (Women made the majority of all claims, she noted.) The EEOC reports, collected between 2005 and 2015, found that about a quarter of sexual harassment complaints came from the service sector, which is dominated by low-wage, mostly female workers.”

ECONOMIC NEWS AND INDICATORS

Yellen Says Economic Expansion Has Gained Strength—New York Times

“Janet L. Yellen, the Federal Reserve chairwoman, reported on Wednesday that the economic expansion had broadened and strengthened, and that she expected the growth to continue.

Ms. Yellen’s upbeat assessment, delivered in [prepared testimony](#) to a congressional committee, is likely to reinforce expectations that the Fed will raise its benchmark interest rate in December. It also raises questions about plans for a major tax cut aimed at stimulating growth. “Economic growth appears to have stepped up from its subdued pace early in the year,” Ms. Yellen plans to tell the Joint Economic Committee. “Moreover, the economic expansion is increasingly broad based across sectors as well as across much of the global economy.” ...Ms. Yellen was careful to say that the economy could be doing better. She noted that the pace of economic growth remained slow by historical standards. The two major determinants of growth, the number of workers and the productivity of the average worker, are rising slowly.”

What the Tax Bill Would Look Like for 25,000 Middle-Class Families—New York Times

“The tax bill being debated in the Senate this week would affect nearly every American. Numerous analyses have estimated the average impact of the bill on household finances, and advocates on both sides have produced examples of “typical” families that would win or lose under the plan. Such analyses, however, tend to gloss over the remarkable diversity of Americans’ financial situations. In truth, there is no “typical” American household. Even families that look similar on the surface can differ in ways that radically alter their situation come tax season. The 25,000 dots on the chart above each represent an American household in the broadly defined middle class. The vertical axis represents income; the horizontal axis represents how big a tax cut (or tax increase) each household would get under the bill in 2018, according to a New York Times analysis using the open-source tax-modeling program [TaxBrain](#).”

American Farm Towns, With Changing Priorities, Reject Industrial Agriculture – Wall Street Journal

“Rural Americans are turning their backs on the industry that made the U.S. the biggest meat-exporting country in the world. Residents of Tonganoxie, a 5,300-person town in northeast Kansas, spent part of the fall hanging white-and-red placards that say “No Tyson in Tongie” on fenceposts and pickup trucks. Their efforts were part of a public push against Tyson Foods Inc., the largest U.S. meat processor by sales, which trumpeted in early September its plans to build a \$320 million chicken-processing complex just south of town. The investment, Tyson said, would bring 1,600 jobs to the area and deliver \$150 million annually to the Kansas economy, in part because it would pay local farmers to raise chickens and buy locally grown grain to feed them. “Kansas will be an outstanding home for this Tyson complex,” said Kansas Gov. Sam Brownback... Many residents, including farmers, disagreed. Online, they raised alarms about groundwater pollution, infrastructure burdens and noxious smells. With a relatively strong economy, and job flexibility that comes from proximity to the Kansas City metropolitan area, many weren’t persuaded by the promised economic benefits... The debate that split Tonganoxie is taking place across rural America, where communities from California to North Carolina have turned away meat plants. Even in farm country—Kansas is the top wheat-growing state and third in cattle production—fewer people these days are directly involved in the sector, which has been [battered by the worst downturn since the 1980s](#).”

The First Step to Fixing U.S. Manufacturing – Harvard Business Review

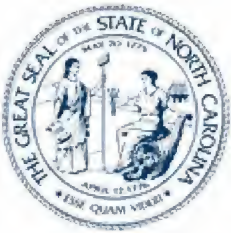
“New research from the McKinsey Global Institute analyzes firm-level financial results and finds a stark contrast in performance between the biggest U.S. manufacturing multinationals and the small and midsize firms that make up most of the sector’s establishments and employment. As a group, the largest U.S. firms have had the scale and resources to navigate the challenges of the past two decades successfully. But while the largest US firms have seen their domestic revenues grow more than twice as fast as the sector average even in the domestic market, their smaller suppliers—the

firms that provide them with the materials and components they depend on—have experienced negative growth. Some tier-one suppliers to major manufacturers are performing well, but tier-two and -three suppliers in many industries are struggling.”

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